

**CALIFORNIA VICTIM COMPENSATION
AND GOVERNMENT CLAIMS BOARD**

**630 "K" Street
First Floor Hearing Room
Sacramento, California**

October 24, 2003

PER DIEM RATES FOR MEMBERS OF THE STATE LEGISLATURE

Issue

Pursuant to Government Code (GC) § 8902, the California Victim Compensation and Government Claims Board (Board) is required to establish the living expense reimbursement rate (commonly known as the "session per diem") for Members of the State Legislature. The Board rate cannot be less than the rate provided to federal employees traveling to Sacramento. The rate provided to federal employees traveling to Sacramento, which is determined by the U.S. General Services Administration, has increased twice; on September 17, 2003, the federal rate increased from \$125 to \$139, and effective October 1, 2003, the federal rate increased again from \$139 to \$140.

Background

The Board is required to establish the session per diem at a rate not less than the rate for federal employees traveling to Sacramento. Although the Board has the authority to set a higher rate, doing so would create a tax liability for Members, as the Internal Revenue Service Regulations indicate that any per diem amount provided above the federal rate is considered to be taxable income.

Discussion

The current per diem rate for Legislators is \$125. The maximum federal rate for travel to Sacramento increased from \$125 to \$139 per day effective September 17, 2003. The maximum rate was increased again, effective October 1, 2003, to \$140 per day. The combined effect of both rate increases is a net increase of \$15 per day over the rate previously adopted by the Board.

Recommendation

Staff recommends that the Board adopt \$139 as the per diem rate for Members of the State Legislature effective retroactively from September 17, 2003, through September 30, 2003. Staff also recommends that the Board adopt \$140 as the per diem rate for the Members of the State Legislature effective October 1, 2003.